Governor Mike Kehoe
State of Missouri

Missouri Department of
Commerce & Insurance
Angela L. Nelson, Director

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RE: Workers Compensation Individually Rated Large Deductible Policies

Dear Mr. Beaudoin:

I am in receipt of your letter dated November 20, 2025, requesting the Missouri Department of Commerce and Insurance ("Department") issue a No Action Letter to Travelers Insurance Company ("Travelers"). The request asks the Department to allow Travelers to offer single-state, large deductible Workers' Compensation & Employers' liability policies without requiring multi-state exposure.

Background

In June 2024, Travelers engaged in discussions with the Department regarding the potential for property and casualty insurance carriers to offer single-state, large-deductible workers' compensation policies, known as "wrap-up" insurance programs, in Missouri. In August of 2024, Travelers sent additional correspondence outlining the advantages of single-risk construction wrap-up programs. Bulletin-15-02 from the Department restricts individually rated workers' compensation policies with large deductibles to employers who: operate in multiple states, maintain a threshold of at least $100,000 in interstate premium, have mutual agreement by the insured and insurer to use the individual rate, and the insurer submits a separate rate filing as required by section 287.947. In contrast, the policies Travelers is seeking to write are for employers with minimal or no multi-state exposure.

In April of 2025, the Department recommended Travelers request a "No-Action Letter," which they did on November 20, 2025. In the request, Travelers once again asked to be allowed to write wrap-up insurance programs for construction projects and provided example filings.

Missouri Law

Missouri law permits carriers to write large deductible workers' compensation policies. *See 287.310*. However, as noted above, Department guidance restricts these policies to employers that meet certain criteria, such as those operating in multiple states. Specifically, Bulletin 15-02 provides:

> While individually negotiated rates can raise concerns of excessive, inadequate, or unfairly discriminatory rates, the flexibility to individually rate workers' compensation policies with large deductibles for employers operating in multiple states is reasonable in limited circumstances.
>
> Those circumstances include situations where:
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> 1. The employer has operations in one or more states in addition to Missouri;
> 2. The employer's "Total Standard Premium" (as that term is defined in the Missouri State Page of the current NCCI Basic Manual), prior to the application of the deductible credit, is $100,000 or more in interstate premium; and
> 3. The individually rated premium is mutually agreed upon by the insurer and the insured; and
> 4. The insurer submits a separate rate filing with the Department documenting its use of an individually negotiated (or non-standard) rate as required by Section 287.947.

Analysis and Conclusion

In its request for a No-Action Letter, Travelers acknowledges that the employers who would be covered under the construction wrap-up projects would have limited or no multi-state exposure. Without multi-state exposure, the risk of excessive, inadequate, or unfairly discriminatory rates is higher because it is less likely that a single-state business will be able to meet its large deductible obligation. However, the Department also acknowledges that Travelers' single-state construction wrap-up programs are limited in duration, allow for a more streamlined premium computation process, and are large, analogous risks to those contemplated under current guidance. Extending this opportunity to single-state construction wrap-up programs broadens the number of carrier choices and creates a more comprehensive and competitive market for these unique and complex risks. Therefore, the Department will not take action against Travelers for offering large deductible workers' compensation and employers' liability policies to single-state construction wrap-up programs, even though the employer does not operate in more than one state. The individually rated premium must still be mutually agreed upon by the insurer and the insured; and the insurer must still submit a separate rate filing with the Department documenting its use of an individually negotiated rate as required by section 287.947 RSMo.

For all of these reasons, I have determined that it is in the best interests of Missouri consumers to issue this no-action letter. As long as there is no change in any material fact or law, or the discovery of a material misrepresentation or omission made by Travelers with regard to this request for a no-

action letter, the Department of Commerce and Insurance will not bring an enforcement action against Travelers for a violation of Bulletin 15-02 regarding writing large deductible workers' compensation and employers' liability policies. Nothing in this no-action letter shall prevent the Department from taking any future enforcement action relating to the financial condition of Travelers, or in connection with the violation of any other laws aside from those specifically identified herein.

Respectfully,

Angela L. Nelson
Director
Missouri Department of Commerce & Insurance

Cc: Jo LeDuc, Director – Insurance Market Regulation